

**RESOLUTION NO. 07-17**

**RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE  
AND ECONOMIC DEVELOPMENT BANK APPROVING  
AMENDMENTS TO THE PROJECT DESCRIPTION AND  
TO THE SOURCES AND USES OF FUNDS CHART OF  
THE INFRASTRUCTURE STATE REVOLVING FUND  
PROGRAM FINANCING FOR THE COUNTY OF KERN.**

**WHEREAS**, The Board of Directors ("Board") of the California Infrastructure and Economic Development Bank ("I-Bank") passed, approved and adopted Resolution No. 06-40 at its October 24, 2006, meeting authorizing \$7,200,000 of Infrastructure State Revolving Fund ("ISRF") Program financing for the County of Kern ("County" or "Borrower") for the Kern County Supervisorial District 5 Curb, Gutter, and Drainage Improvements Project ("Project") pursuant to Government Code Section 63000 *et seq.* (the "Act"); and,

**WHEREAS**, the County entered into a Facility Lease Agreement ("Agreement") with the I-Bank dated March 1, 2007, for the Project; and,

**WHEREAS**, the County has determined that construction bids for one of the Project components have come in at an amount substantially less than originally projected due to the slow down in construction in the County, and anticipates that bids for the remaining Project components will also come in lower than estimated and expects a substantial savings, and,

**WHEREAS**, the County has determined that these savings be expended on a fourth Project component area and for sidewalk construction in all four Project component areas ("New Project Component"), and,

**WHEREAS**, the County has determined that additional Project funds are now necessary to ensure the continued proper functioning of the Project, and,

**WHEREAS**, the County has determined that the New Project Component and the additional County's Project funds, together with the Project, is the Amended Project; and,

**WHEREAS**, I-Bank Staff has determined that the New Project Component meets all eligibility requirements contained in the Act and the Criteria, Priorities and Guidelines for the ISRF Program; and,

**WHEREAS**, the Borrower may pay certain expenditures (the "Reimbursable Expenditures") in connection with the New Project Component prior to the issuance by the I-Bank of indebtedness for the purpose of financing costs associated with the New Project Component on a long-term basis; and,

**WHEREAS**, Section 1.150-2 of the Treasury Regulations requires the I-Bank to declare its reasonable official intent to reimburse Reimbursable Expenditures for the New Project Component with proceeds of a subsequent borrowing.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the I-Bank as follows:

**Section 1.** Based upon information presented at the meeting where adoption of this resolution and the Staff Report were presented to the Board, the Board finds that the requirements set forth in Section 1 of Resolution 06-40 are met with regard to the New Project Component.

**Section 2.** The Chair or the Executive Director and the Secretary are authorized to execute all documents, certificates and other written agreements reasonably necessary to effectuate the described amendments. The authority to execute the amendments shall expire automatically two hundred and ten (210) days from the adoption of this resolution.

**Section 3.** This resolution does not constitute a commitment to finance the New Project Component, but instead sets forth the terms and conditions that shall be contained in an amendment to the Agreement with the Borrower. It is understood that the amendments may require conditions and agreements on the part of the Borrower in order to adequately protect the interests of the I-Bank.

**Section 4.** This resolution is adopted for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This resolution does not bind the I-Bank to make any expenditure, incur any indebtedness, or proceed with the financing of the Amended Project.

**Section 5.** All of the Reimbursable Expenditures covered by this resolution were made not earlier than 60 days prior to the date of this resolution.

**Section 6.** The Board hereby declares its reasonable official intent to use proceeds of tax-exempt bonds to reimburse the Borrower for the Reimbursable Expenditures.

**Section 7.** This resolution supplements Resolution 06-40.

**Section 8.** This resolution shall take effect from and after its adoption.

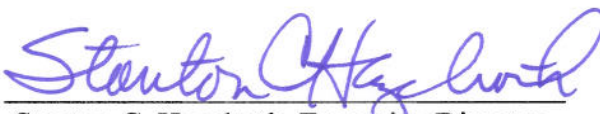
**PASSED, APPROVED, AND ADOPTED** at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on June 19, 2007, by the following vote:

AYES: Ashley, Lujano, Sheehan, Harvey, Rice

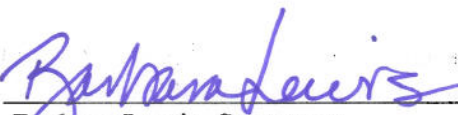
NOES: None

ABSENT: None

ABSTAIN: None

By:   
Stanton C. Hazelroth, Executive Director

ATTEST

By:   
Barbara Lewis, Secretary